

Submission to HCLG Select Committee Inquiry on Progress on Devolution in England

A submission by the Centre for Urban and Regional Development Studies (CURDS), Newcastle University, UK

Andy Pike, Louise Kempton, Danny MacKinnon, Peter O'Brien and John Tomaney¹

Email: andy.pike@ncl.ac.uk

August 2019

1. About the Centre for Urban and Regional Development Studies (CURDS)

The Centre for Urban and Regional Development Studies (CURDS), Newcastle University, is a research centre internationally renowned for its academic excellence and policy relevance in local, regional and urban development, governance and policy. Founded in 1977, further details of our work are available at: www.ncl.ac.uk/curds

2. The research and evidence base

This submission draws upon research undertaken as part of the EPSRC and ESRC-funded iBUILD research centre examining new funding, financing and business models for local infrastructure, the ESRC-funded City Evolutions project examining the economic evolution and adaptation of UK cities and the role of institutions and policy and the ESRC, BIS, CLG and WAG-funded Spatial Economics Research Centre work on decentralisation, institutions and economic development.² We are happy to engage further with the Committee as the inquiry progresses.

3. Context

We welcome the HCLG Committee's inquiry into this important issue of devolution in England. The UK and especially England remains amongst the most highly centralised compared to major countries internationally (Table 1, Appendix). The UK had a stable level of decentralisation between 1950 and 1986, underwent further centralisation until the late 1990s devolution, and then settled at a relatively higher level (Figure 1). In addition, the UK and England have longstanding and persistent geographical disparities in economic and social conditions that are high and increasing when compared internationally. The gini index of inequality of GDP per capita was above the OECD average and reduced slightly over 2000-2013 (Figure 2).

¹ The Bartlett School, UCL.

² Pike, A., O'Brien, P., Strickland, T., Thrower, G. and Tomaney, J. (2019) *Financialising City Statecraft and Infrastructure*, Elgar: Cheltenham. iBUILD research centre: <https://research.ncl.ac.uk/ibuild/>. City evolutions project: <http://www.cityevolutions.org.uk/>. Spatial Economics Research Centre: <http://www.spatial-economics.ac.uk/>.

While the causal relationship between centralised governance and spatial disparities is not clear and direct, it has been a consistent association in UK political-economic and geographical history.³ The need to find appropriate forms of decentralised governance for England has been a recurrent concern.⁴

4. Definitions, rationales, benefits and costs of decentralisation

Decentralisation is defined as the allocation of powers and resources from national to sub-national levels of government. There are different kinds of decentralisation, distinguished by their powers and resources, that range from the highest level of devolution to the lowest level administrative (Table 2). What is called 'devolution' in the discussions about decentralised governance in England is more accurately termed delegation because of the limited nature of the powers and resources involved. The main rationales for decentralised governance are better matching of public expenditure and services to local preferences, mobilisation of local knowledge on economic potential and costs, and increased accountability of local governments to citizens. Depending upon its form and combination of powers and resources, decentralisation can generate numerous benefits and costs (Table 3).

5. Decentralised governance and economic, social and public policy outcomes

Establishing whether or not decentralised governance enables better decision-making and generates benefits for economic and social outcomes and public policy objectives is not straightforward. This is because of numerous problems: the development of appropriate proxies relevant to particular national contexts; assembling available data of appropriate quality, historical coverage and international comparability; disentangling and isolating the effects of decentralisation; and, attributing causation amongst decentralisation's multiple relationships with broader economic and institutional change.⁵

Our review of the international evidence commissioned by the UK Department for Communities and Local Government in 2010-11⁶, identified different types of decentralisation at various spatial scales, involving a range of powers and resources. The conclusion was that the context and conditions of the design, rationale and implementation of decentralisation strongly shape its effects. The impacts of decentralisation on issues such as the efficiency and accessibility of local services and on local growth are ambiguous and inconclusive. The international review suggests it

³ McCann, P. (2016) The Regional-National Economic Problem: Geography, Globalisation and Governance, Routledge: London.

⁴ Marlow, D. (2014) English Devolution and Intermediate Tiers of Governance, LGiU Briefing, December, LGiU: London.

⁵ Pike, A., Rodríguez-Pose, A., Tomaney, J., Torrissi, G. and Tselios, V. (2012) "In search of the 'economic dividend' of devolution: spatial disparities, spatial economic policy, and decentralisation in the UK", Environment and Planning C: Government and Policy, 30, 1, 10-28.

⁶ Tomaney, J. Pike, A. Torrissi, G. Tselios, V. Rodríguez-Pose, A. (2011) Decentralisation Outcomes: A Review of Evidence and Analysis of International Data, Report by Centre for Urban and Regional Development (CURDS), Newcastle University, and Department of Geography and Environment, London School of Economics, for Department for Communities and Local Government: Newcastle upon Tyne. <http://blogs.ncl.ac.uk/curds/files/2013/02/DecentralisationReport.pdf>

is hard to draw any general conclusions about whether different kinds of decentralisation will improve or impair government quality and economic efficiency. This is because the multiple effects of decentralisation move in different directions across different dimensions and are shaped by numerous conditions. This makes evaluating the impacts of decentralisation difficult systematically to isolate and assess. Crucially, the extent, nature and kind of decentralisation is what matters to its potential effectiveness, outputs, outcomes and impact. Context, design, rationale and implementation of decentralisation strongly shape its effects at different spatial levels.

Focusing on the UK and whether devolution had yielded an 'economic dividend' to improve the economies of areas receiving greater powers and resources, our research found: i) a varied and uneven nature of the relationships between regional disparities, spatial economic policy and decentralisation that change direction during specific time periods; ii) the role of national economic growth is pivotal in explaining spatial disparities and the nature and extent of their relationship with the particular forms of spatial economic policy and decentralisation deployed; and, iii) there is limited evidence that any 'economic dividend' of devolution has emerged but this remains difficult to discern because it's likely effects are over-ridden by the role of national economic growth in decisively shaping the pattern of spatial disparities and in determining the scope and effects of spatial economic policy and decentralisation.⁷

6. The path of decentralised governance in England

As England is the largest area of the UK in terms of population and economy, finding an appropriate intermediate level of governance between the national and the local has been a difficult and recurrent issue.⁸ In the post-war period, episodes of decentralisation are evident that resemble a pendulum swinging between different geographical scales and institutional arrangements (Figure 3).

Since 2010, there has been an ad hoc, incremental and piecemeal episode of decentralisation. Multiple rationales have been stated, pulling decentralisation in different directions and muddling its precise objectives. These rationales comprise local growth, public service reform and expenditure reductions, democratic renewal, and societal challenges such as ageing and climate change.

This episode is also characterised by deals and deal-making as negotiated central-local government agreements on decentralised powers, responsibilities and resources. Differentiated combinations of powers and resources have been allocated to different areas (Figure 4).

This recent decentralisation episode has created a complex map and patchwork of different governance arrangements across England. While other countries such as France, Italy and Spain have what are termed 'asymmetrical' or geographically uneven decentralised governance systems with different powers and resources allocated to

⁷ Pike, A., Rodríguez-Pose, A., Tomaney, J., Torrisi, G. and Tselios, V. (2012) "In search of the 'economic dividend' of devolution: spatial disparities, spatial economic policy, and decentralisation in the UK", *Environment and Planning C: Government and Policy*, 30, 1, 10-28.

⁸ Marlow, D. (2014) *English Devolution and Intermediate Tiers of Governance*, LGiU Briefing, December, LGiU: London.

different areas, the degree of asymmetry in England is acute. Asymmetrical forms of decentralisation have potential benefits and costs (Table).

7. The impacts of recent decentralisation in England

Given the difficulties in assessing the impacts of decentralised governance on decision-making and economic, social and public policy outcomes (see section 5. above), evaluating the current patchwork in England is especially challenging. This situation is reflected in Whitehall's difficulties and limited capacity effectively to develop frameworks to monitor and evaluate the different deals and geographies. Indeed, evaluation has been outsourced and is the subject of current evaluations commissioned from external consultants by BEIS and HCLG.

In assessing the impacts of decentralisation in England, it is important to establish the importance of rigorous and systematic policy evaluation and recognition of its limits. This involves setting out the logic model for decentralisation policy and its objectives stating its context, rationale(s) and objectives, theory of change, inputs, activities, outputs, outcomes and impacts. The evaluation framework can then clearly identify the component elements and their relations, recognising the range between those that are shorter term with fewer influences are easier to measure and clearly attribute compared to those that are longer term with many influences making them more difficult and harder to attribute (Figure 5).

It is challenging, then, clearly and directly to attribute changes in economic output or employment to changes in governance arrangements. Efforts are being made including SQW's evaluation of investment funds in the devolution deals and the attempts by specific deal areas to demonstrate their effects including the Glasgow Economic Commission work on the Clyde Valley City Region Deal.

Appropriate data availability is important. However, this issue is further complicated by the different geographies of the deal areas. For example, the North of Tyne area lacks alignment with other relevant geographies in north east England including the LEP and Passenger Transport Executive.

Drawing upon our EPRC and ESRC-funded research projects, we offer the following points regarding the assessment of decentralisation in England in the sub-sections below.

7.1 Deals and deal-making

As a governance and public policy innovation in the English context, deals and deal-making have generated benefits and costs. The benefits include:

- providing a channel for local actors to talk to the centre
- empowering local actors
- encouraging strategic thinking
- promoting innovation
- stimulating governance reform

The costs include:

- uneven information and power between central and local actors
- the ambiguous role of the centre as supporter, appraiser *and* authoriser of the plans of local actors
- limited capacity nationally and centrally in the context of expenditure reductions
- Limited transparency, scrutiny and accountability.
- Uneven allocations of financial resources, for example Investment Funds (Table 5)
- labour-intensive and time-consuming for local partners and central government departments
- lack of alignment of administrative geographies, for example between deal and LEP and other areas
- slippage and prolonged timescales from announcement to implementation.

The deal-based approach has been central in the ad hoc, piecemeal creation of the patchwork of decentralised governance arrangements across England. A positive reading interprets this picture as appropriately reflecting the geographical differences in ambition, aspiration and capacity for decentralised governance and the ‘bespoke’ outcomes of national-local deal-making tailored to particular circumstances.

A more critical reading sees an overly complicated system in which co-ordination, integration and alignment amongst the actors and institutions involved is difficult, time-consuming and costly. Negative externalities or spill-overs spread to adjoining areas with different packages or no decentralised powers and resources. These effects further complicate co-operation and joint working for example on strategic and longer-term cross-boundary issues including health and infrastructure. Little sense of fairness or equity exists in the powers and resources allocated across the country. This situation potentially fuels further discontent, unease and political fragmentation and dissent with how the current governance arrangements are working for people and places.

7.2 Funding and financing decentralisation

The decentralisation of fiscal powers over taxing and spending is a central element of higher levels of decentralised governance. Such arrangements define the instruments available to decentralised governance institutions for local revenue generation and expenditure. Within the current highly centralised governance and funding system in England, reforms since 2010 have introduced incremental changes providing some limited kinds of fiscal decentralisation including business rate retention and various precepts and supplements. On some calculations, the share of local government spending raised locally increased from 25.2% to 40.4% between 2010/11 and

2016/17.⁹ However, the new system of fiscal decentralisation in England is marked by two key characteristics¹⁰:

- The reduction and replacement of central transfers that offered a degree of certainty and stability with a fragmented stream of local revenue raising instruments has reinforced dependencies, introduced greater uncertainty and instability into the system and heightened the spatial disparities between large and strong and small and weak local tax base areas.
- More imaginative thinking and innovation is needed to formulate a more strategic and longer-term financial plan for local government in England capable of reforming a highly centralised system in fair and effective ways simultaneously to provide greater fiscal decentralisation *and* retain redistribution between areas with smaller and weaker local tax bases and larger and higher economic and social needs.

7.3 Local and regional identities

Drawing lines on maps to limit jurisdictions is relatively straight-forward, but creating meaningful local and regional boundaries is more difficult. Since 2010 in England, the approach has been to prioritise 'functional' economic areas' – for example reflecting 'travel to work areas'. However, effective regional governance requires the support of citizens. Questions of local and regional identity matter because boundaries also need to pay attention to a shared sense of place and patterns of belonging and attachment.¹¹ Successful democratic polities operate across territories that are understood to have real meaning to citizens and voters. Where this is not the case, it can be a recipe for indifference or dysfunction. Centrally determined boundaries, which make sense in Whitehall, can produce regions that have little popular affiliation. Such regions may dispense large amounts of tax-payers money in ways which appear opaque and unaccountable. Equally, the deal-making approach to decentralisation can produce regions that are neither functional nor popular in ways that can set back to aim of democratic decentralisation.

7.4 Directly-elected metro-mayors

Directly Elected Metro-mayors (DEMMs) have been introduced in some places in England. The case for DEMMs rests on claims that they: facilitate economic growth; provide authoritative, visible leadership; cut through policy problems; enhance local democratic engagement and accountability; and, work better at the metropolitan scale.¹²

⁹ McNulty, C. (2019) "What does the 2019 Spending Review mean for councils?", Room 151, 6 March, <https://www.room151.co.uk/funding/what-does-the-2019-spending-review-mean-for-councils/>

¹⁰ CURDS evidence to CLG Committee Local Government Finance and Fair Funding Review 2019, <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/housing-communities-and-local-government-committee/local-government-finance-and-the-2019-spending-review/written/98476.pdf>

¹¹ Tomaney, J. (2018) "A mess of pottage? The North of Tyne deal and the travails of devolution", LSE British Politics and Policy Blog, 4 January, <https://blogs.lse.ac.uk/politicsandpolicy/the-north-of-tyne-deal-and-the-travails-of-devolution/>

¹² Tomaney, J., O'Brien, P., Pike, A. and Jenkins, M. (2018) Five Theses on Directly-elected Metro-Mayors, Unpublished Paper, CURDS: Newcastle University.

Despite a body of normative literature that lauds the role of mayors¹³, the evidence on the impacts of DEMMs is sparse. There are very few international examples of mayors being directly-elected at the scale of the metropolitan city-region. Although directly elected mayors at the municipal scale are common around the world, there is great variation in their powers, responsibilities, resources, geographical remits and impacts. ¹⁴ There is no single 'ideal type' mayor against which the metro-mayoralties in England can be assessed.

Following the election of the first wave of DEMMs in 2017, evaluation of their effects needs to address the differences they have made in their areas to increasing productivity and economic growth, reducing social and spatial inequalities, providing political leadership and resolving policy problems, improving democratic engagement, and demonstrating the value of working at the metropolitan scale.

7.5 North of Tyne metro-mayor and Combined Authority

The new decentralised governance arrangements introduced in the North of Tyne area are a microcosm of the wider issues and problems in England.¹⁵ The North of Tyne faces a set of deep social and economic challenges that it shares with the rest of the North East region. However, the metro-mayor and North of Tyne Combined Authority have only limited powers and resources to tackle the critical issues facing the region. This situation is made more challenging by the geography of the North of Tyne area which was created by a political and administrative fix between national and local government. The area is too small and not a meaningful economic geography for public policy-making and has weak identification amongst the wider public. The North of Tyne will have only a 'mini-metro-mayor' with less powers, fewer resources and a weaker political voice compared to the other six metro-mayors and Combined Authorities in England.

It can be argued that even limited decentralisation of powers and resources is welcome because it can be built upon and represents the beginnings of a challenge to the highly-centralised governance system in England. In this vein, the metro-mayor and North of Tyne Combined Authority can attempt to make a difference by identifying signal issues around which business, public and civic actors can mobilise and progress (e.g. reducing inequality, improving wellbeing, tackling poor health, Living Wage agreements) and effectively using its new institutions (Inclusive Growth Board, Housing and Land Board, Mayoral Development Corporations) and initiatives (Education Improvement Challenge). More likely though is that a metro-mayor with weak powers and limited resources governing a small area that lacks a meaningful economic geography and is characterised by low public awareness, fails to make an

¹³ Barber, B. (2011) *If Mayors Ruled the World*, Yale University Press: Newhaven, CT

¹⁴ Schragger, R. (2006) "Can strong mayors empower weak cities?", *The Yale Law Journal*, 115, 9, 2542-2578; Wollmann, H. (2014) "The directly-elected mayor in the German Länder – introduction, implementation and impact", *Public Money and Management*, 34, 5, 331-337.

¹⁵ Pike, A., Tomaney, J. and Jenkins, M. (2019) *The North of Tyne Metro-Mayor: An Office Without Power?*, CURDS: Newcastle University, <https://www.ncl.ac.uk/media/wwwnclacuk/curds/files/North%20of%20Tyne%20Metro-Mayor%20-%20An%20Office%20Without%20Power.pdf>

impact upon the large-scale and persistent problems facing the North East. As the new political leader and institution struggle to make an appreciable difference, the danger is that the case for more meaningful devolution of powers and resources is undermined. In the longer-term, what is needed is a focus on a more meaningful geography encompassing the whole North East region, a meaningful decentralisation of substantive powers and resources and fresh thinking about how to tackle the region's long-standing economic, social and environmental problems.

8. Further and future decentralisation in England

Given the ad hoc, incremental and piecemeal nature of the recent episode of decentralisation in England and the difficulties in assessing its impacts, a more comprehensive and thoughtful approach is needed to thinking through and implementing further decentralisation in existing and new areas yet to be allocated powers and resources if the potential benefits are to be maximised and the costs and risks reduced.

Our recent work called for the clarification of the rationales and principles of decentralisation with a 'road map' and process to provide some clarity to the vision, direction, purpose, principles and strategy for the decentralised governance of England in the round.¹⁶

The current ad hoc, incremental and piecemeal governance needs to move towards a more planned, transformative and comprehensive approach. It will, however, need to work with the patchwork of the different geographical scales and institutions of governance that have been introduced in England since 2010.

This is not a call for a top-down blueprint designed and delivered from Whitehall in London. It is a call for an open, transparent and systematic approach. Such a road map would provide greater fairness and equity in setting out what kinds of powers and resources are on offer for places. For those areas at the earliest stages of thinking through what decentralisation might mean for them, it could provide a normative sense of the kinds of powers and resources that specific types of areas *should* be seeking. Such a clear road map would remove the existing opaqueness and lack of accountability of deals designed, formulated and made between political leaders and senior officials at the local and national levels. Otherwise, the problems and costs of co-ordination, integration and alignment between governance actors and institutions will be reproduced and, potentially, multiply as further pieces are added to the existing patchwork.

With the change in government in July 2019 and the dominance of Brexit in national political economy, it is difficult to assess the new administration's commitment to decentralisation in England. Decentralisation had slowed under the last government following the EU referendum in 2016 and general election in 2017, afflicted by 'Brexit blight' and lack of political and administrative capacity in Parliament and Whitehall. In principle the UK government's 'Devolution Framework' may provide some of the

¹⁶ Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University.

elements of this decentralisation 'road map'. However, its publication has been delayed until "after Brexit" and details of its aims and content are as yet unknown.¹⁷

In July 2019, the new Prime Minister announced support to "level up the powers offered to mayors" to enable "more people" to "benefit from the kind of local government structures" in London and Greater Manchester and to provide "communities a greater say over changes to transport, housing, public services and infrastructure that will benefit their areas and drive local growth".¹⁸ He restated an ambition for "levelling up across every nation and region across the UK, providing support to towns and cities and closing the opportunity gap in our society"¹⁹ and made announcements on a Towns Fund, the Northern Powerhouse and public expenditure on transport infrastructure in northern England and further 'Growth Deals' in Northern Ireland, Scotland and Wales.²⁰

Wherever decentralisation goes next, its kind, nature and resources are critical. There is a need for the meaningful decentralisation of powers and resources to enable places to tailor place-based institutions, policies and public services to address their particular combinations of aspirations and needs.

There is evidence that the current episode of decentralisation in England and its hallmark deals and deal-making approach are reaching their zenith. First, areas that secured deals in earlier waves are increasingly seeking further deals in a bid to acquire additional powers and resources, reproducing the deal-based model of governance reform and public policy-making with all its benefits and costs.²¹

Second, areas putting forward deal proposals are having to wait for Ministerial and civil servant consideration and response, demonstrating the lack of political prioritisation and administrative capacity at the national level, or receiving rejections for not meeting certain criteria. For example, the One Yorkshire proposals in 2018 was rejected by the former Secretary of State because they "do not meet our devolution criteria".²² Yet any such criteria have not been published.

Third, knitting together the strategic aims and work of the decentralised institutions and their differentiated powers and resources within the broader patchwork is

¹⁷ Larsson, N. and Peters, D. (2019) "Further delay to devolution drive", *The Municipal Journal*, 24 April, <https://www.themj.co.uk/Further-delay-to-devolution-drive/213469>.

¹⁸ Johnson, B. (2019) *PM Speech at Manchester Science and Industry Museum*, 27 July, <https://www.gov.uk/government/speeches/pm-speech-at-manchester-science-and-industry-museum>

¹⁹ Johnson, B. (2019) *PM statement on priorities for the government*, <https://www.gov.uk/government/speeches/pm-statement-on-priorities-for-the-government-25-july-2019>

²⁰ Press Release (2019) 28 July, <https://www.gov.uk/government/news/prime-minister-launches-new-growth-deals-funding-as-he-kicks-off-union-visits-in-scotland>

²¹ Greater Manchester agreed six devolution deals between 2014-17 cited in Greater Manchester Independent Prosperity Review (2018) Greater Manchester: The Emerging Impact of Devolution, November. Sharman, L. (2019) "Liverpool submits £230m 'Green City Deal'", *Local Government*, 30 July, <https://www.localgov.co.uk/Liverpool-submits-230m-Green-City-Deal/47894>.

²² James Brokenshire quoted in Elledge, J. (2018) "James Brokenshire's rejection of the One Yorkshire devolution deal absolutely stinks of partisanship", *Citymetric*, 12 February, <https://www.citymetric.com/politics/james-brokenshire-s-rejection-one-yorkshire-devolution-deal-absolutely-stinks-partisanship>

becoming more difficult as it becomes more complex. While there is some evidence of co-operation and joint announcements amongst the higher profile metro-mayors²³, evidence is limited that the overall system of governance in England is working as coherently and effectively as it might.

9. Conclusion

Overall, this submission is not an argument against further decentralisation, especially given the UK and England's highly centralised system and longstanding social and spatial inequalities, nor is it a call for further caution and a slower approach or for a faster, radical and revolutionary 'big bang' strategy. Rather, the submission highlights the need comprehensively to think through and clarify what decentralisation is for and how it works in England and to set this out in a clear, open and transparent road map.

This task will be especially important in the context of future disruptive change especially Brexit. Some advocates of decentralisation see it as the 'golden thread' of Brexit and an opportunity to reverse centralisation and 'take back control' of local affairs from a distant and unresponsive national government and political establishment.²⁴ There are political risks of limiting decentralisation. The lack of economic opportunities and voice for so-called 'left behind' people and places and perceived unfairness has fuelled the discontent and political fragmentation and division in recent years across the UK.²⁵ Lack of public engagement and interest in the current episode of decentralisation is already evident, for example in turnouts in the Durham County Council devolution deal ballot and metro-mayor and Police and Crime Commissioner elections. Engaging the public more effectively suggests the need to do decentralisation in a different way.

²³ Sandford, M. (2017) "Soft power and grant coalitions: the first six months of 'metro-mayors'", January, <https://www.thebritishacademy.ac.uk/soft-power-and-grant-coalitions-first-six-months-metro-mayors>

²⁴ Pike, A. (2018) "Devolution in England needs real powers and resources if it is to 'take back control' in Brexit", The UK in a Changing Europe Blog, 20 June, <https://ukandeu.ac.uk/devolution-in-england-needs-real-powers-and-resources-if-it-is-to-take-back-control-in-brexite/>

²⁵ Tomaney, J. and Pike, A. (2018) "Brexit, devolution and economic development in 'left-behind' regions", *Welsh Economic Review*, 26, 29-37, <http://doi.org/10.18573/wer>.

Appendix

Table 1: Regional Authority Index, ranked by country, 2010*

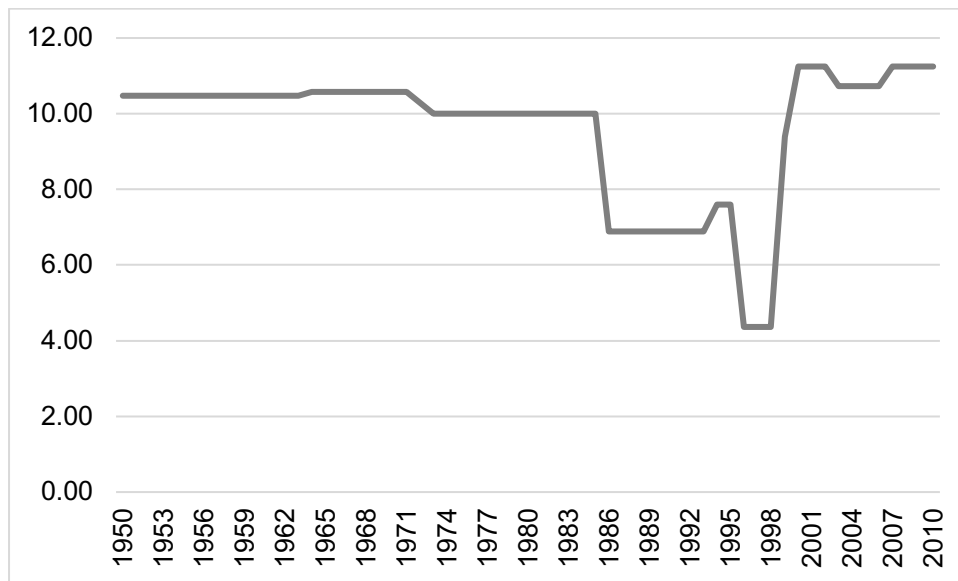
Country	Regional Authority Index
Germany	37.0
Spain	33.6
Belgium	33.1
United States	29.6
Italy	27.3
Austria	23.0
Brazil	19.5
Netherlands	17.5
Japan	13.0
Sweden	12.0
UK	11.2
Greece	11.0

* The Regional Authority Index (RAI) is a measure of the authority of regional governments in 81 democracies or quasi-democracies on an annual basis over the period 1950-2010. The dataset encompasses subnational government levels with an average population of 150,000 or more. Regional authority is measured along ten dimensions: institutional depth, policy scope, fiscal autonomy, borrowing autonomy, representation, law making, executive control, fiscal control, borrowing control, and constitutional reform.

Source: Data from Arjan Schakel (2018)

<https://www.arjanschakel.nl/index.php/regional-authority-index>

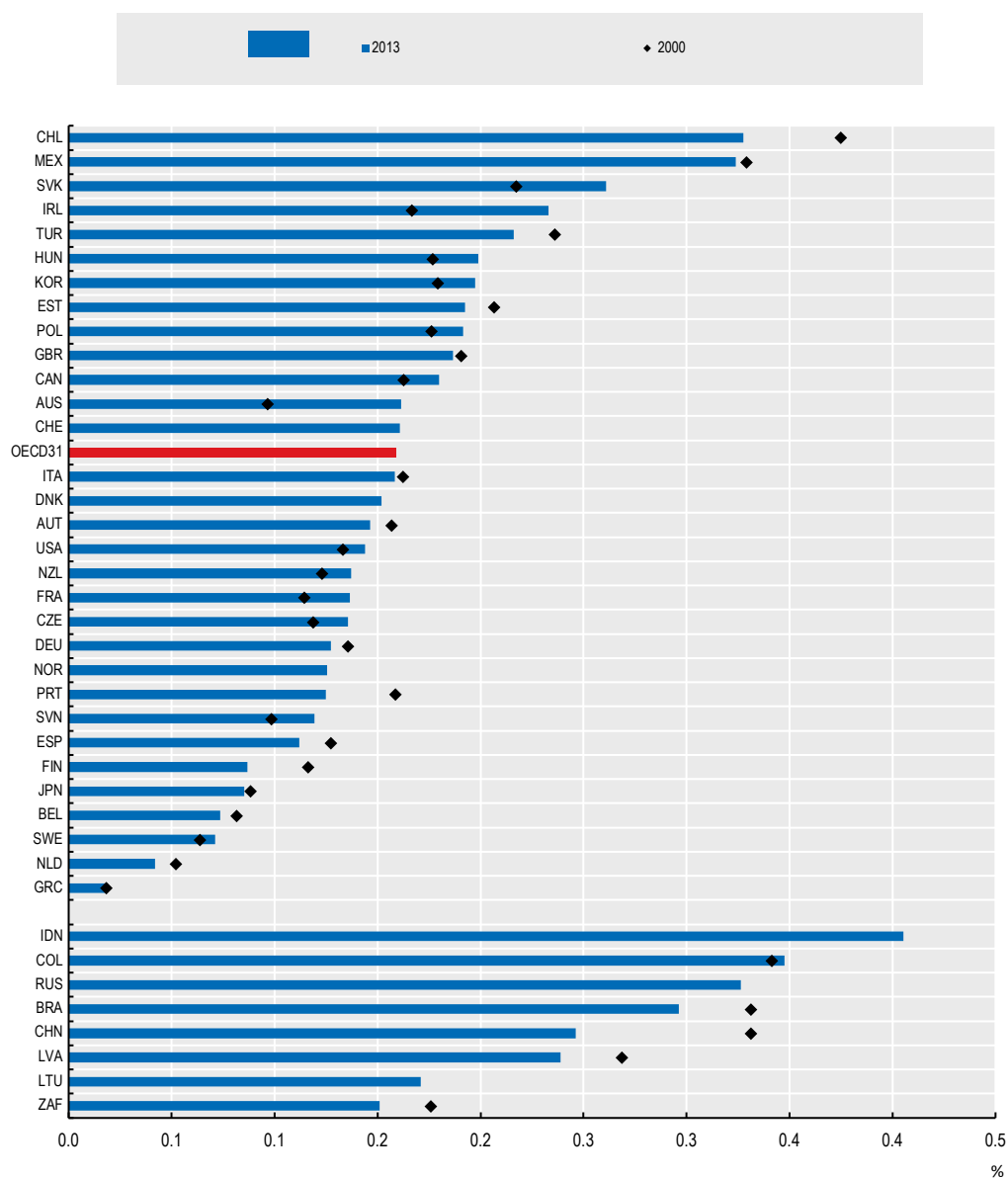
Figure 1: Regional Authority Index, UK, 1950-2010



Source: Calculated from data from Arjan Schakel (2018)

<https://www.arjanschakel.nl/index.php/regional-authority-index>

Figure 2: Gini index of inequality of GDP per capita across TL3 regions, 2000 and 2013*



*GBR = Great Britain

Source: OECD Regional Statistics (2015) (database) in OECD (2016) Regions at a Glance, OECD: Paris

Table 2: Forms of decentralisation

Level	Form	Characteristics
Low	Administrative	Administrative functions and responsibilities undertaken at the sub-national levels
	Deconcentration	Dispersion of central government functions and responsibilities to sub-national field offices. Powers transferred to lower-level actors who are accountable to their superiors in a hierarchy
	Delegation	Transfer of policy responsibility to local government or semi-autonomous organisations that are not controlled by central government but remain accountable to it
	Political	Political functions of government and governance undertaken at the sub-national level
High	Fiscal	Autonomy over tax, spending and public finances ceded by central government to sub-national levels
	Devolution	Central government allows quasi-autonomous local units of government to exercise power and control over the transferred policy

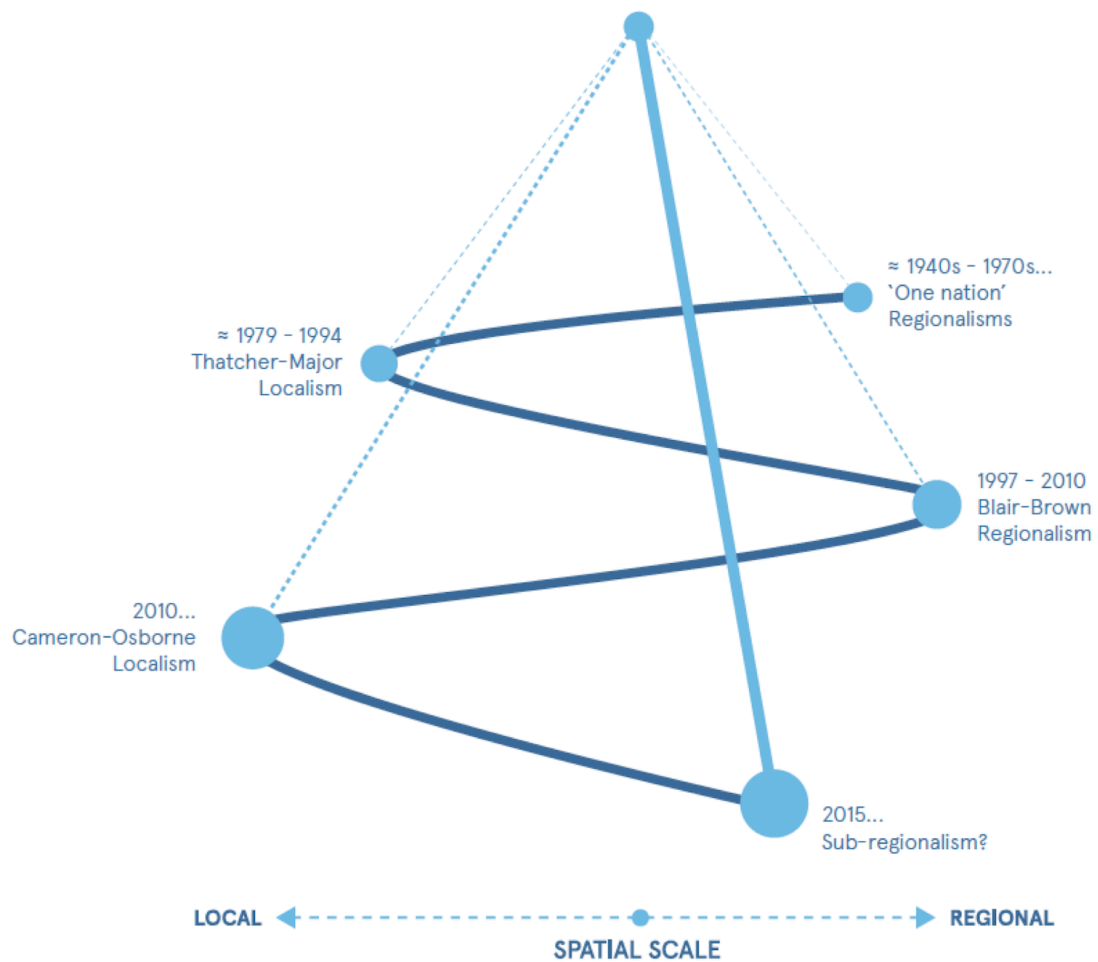
Source: Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University.

Table 3: Potential benefits and costs of decentralisation

Potential Benefits	Potential Costs
Devolved policies better reflect territorial preferences (allocative efficiencies)	Additional administrative costs of additional layers of government and/or governance institutions
Improved knowledge of territorial economic potential (productive efficiencies)	Loss of scale economies in policy formulation and delivery Increased 'rent-seeking' by interest groups better able to influence sub-national territorial rather than national institutions
Democratic accountability improves efficiency of policy formulation and implementation, fosters innovation	Weaker disciplines of monitoring and evaluation (national finance ministries as tougher drivers of efficiency than territorial institutions)
Fiscal autonomy provides hard budget constraints and (where applicable) tax-varying power allows marginal changes to taxation and spending	Budget constraints increasingly tied to territorial fiscal capacity Weak incentives due to lack of mechanism linking public spending with tax revenues raised within sub-national territories
Lower coordination and compliance costs vis-à-vis the rest of the national territory	Reduced coordination with the rest of the national territory with possible negative spill-over effects both on and from sub-national territories

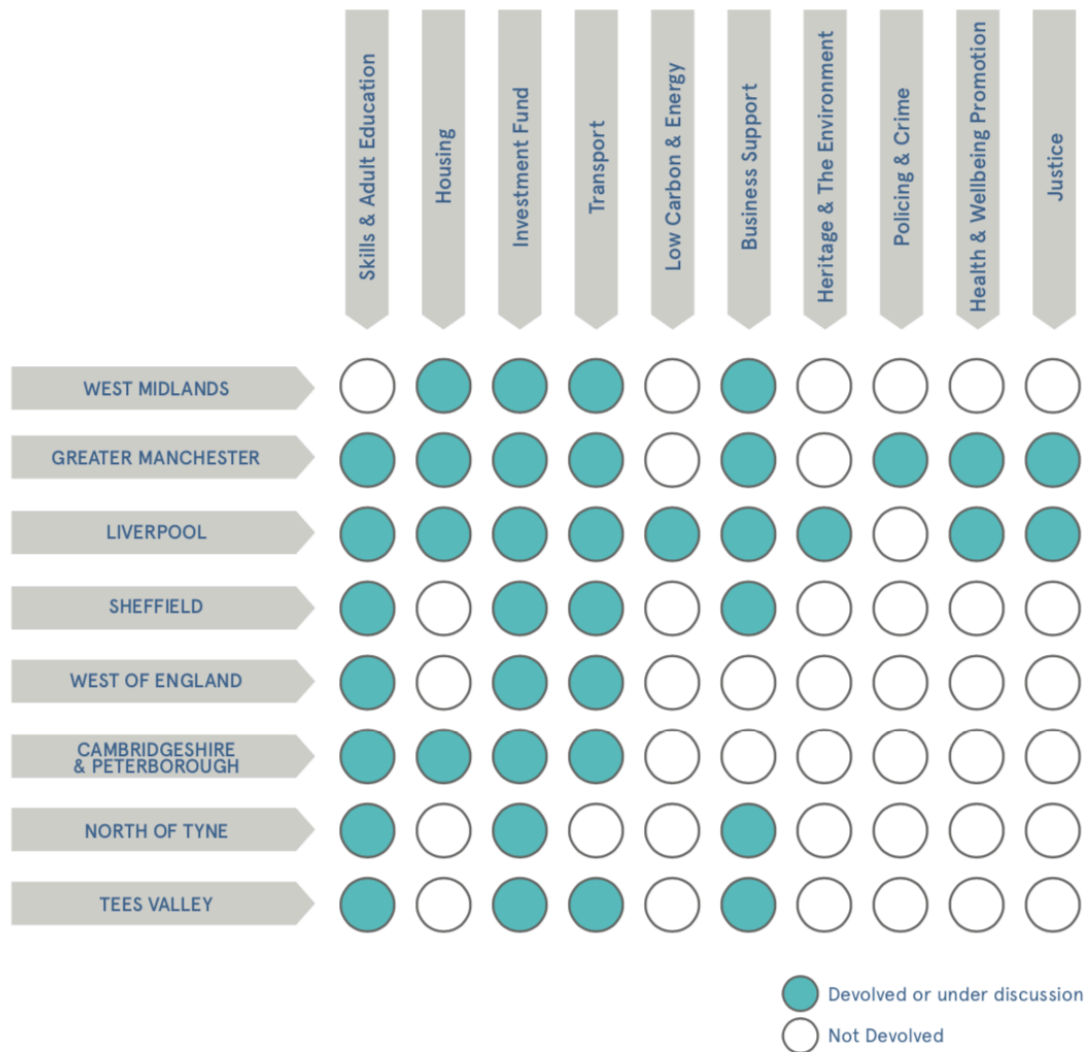
Source: Adapted from Ashcroft, B., Swales, J. K. and McGregor, P. G. (2005) Is Devolution Good for the Scottish Economy? A Framework for Analysis, Devolution Briefings No. 26, March, ESRC Devolution and Constitutional Change Programme: London.

Figure 3: Pendulum swings in decentralised governance in England



Source: Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University.

Figure 4: Powers by Combined Authority area



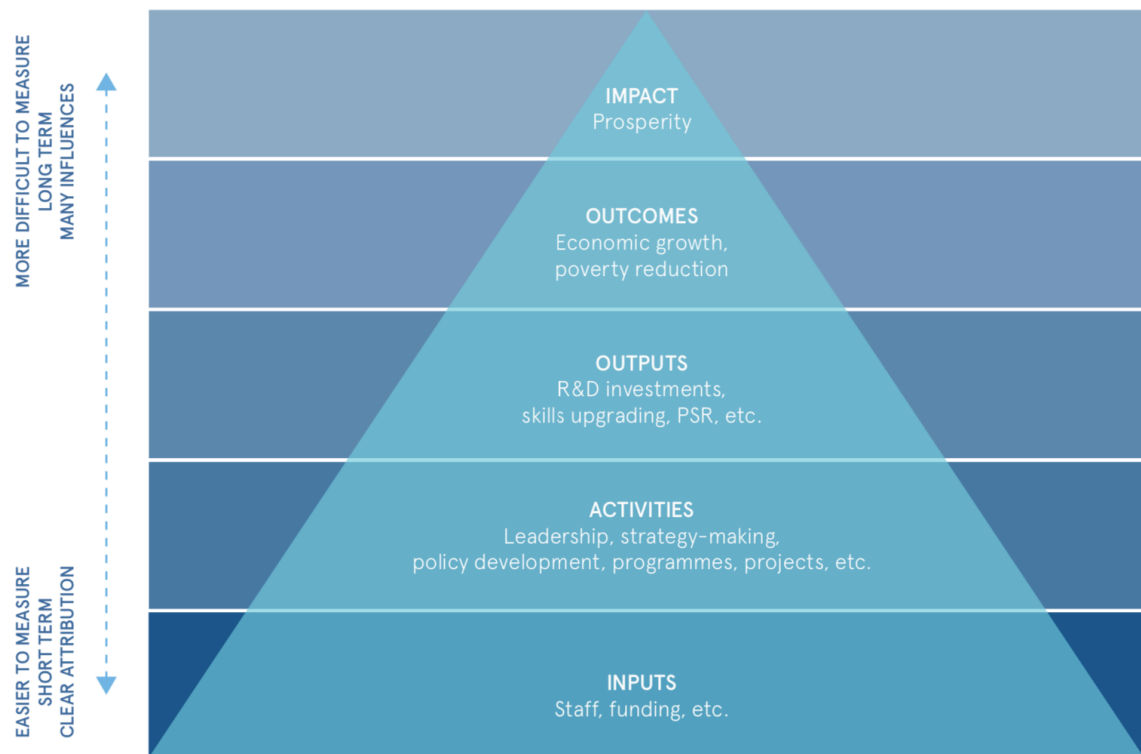
Source: Pike, A., Tomaney, J. and Jenkins, M. (2019) The North of Tyne Metro-Mayor: An Office Without Power?, CURDS: Newcastle University

Table 4: The benefits and costs of asymmetrical decentralisation

Potential benefits	Potential costs
Accommodate diverse preferences for autonomy across regions	Lack of accountability and transparency
Adapting the institutional and fiscal frameworks to the capacities of subnational governments	Complexity and coordination costs
Advanced form of place-based policies	Lack of clarity for citizens
Experimenting	Potential risks of increased disparities (in capacities)
Sequencing decentralisation	Secession and autonomy
Providing the enabling institutional environment to design territorial development strategies more targeted to local needs	
Tailoring solutions for special challenges	

Source: Adapted from OECD (2019) Asymmetric Decentralisation: Policy Implications in Colombia, OECD: Paris.

Figure 5: Measuring the decentralisation difference: from inputs to impact



Source: Pike, A., Kempton, L., Marlow, D., O'Brien, P. and Tomaney, J. (2016) Decentralisation: Issues, Principles and Practice, CURDS: Newcastle University, adapted from Neil MacCallum, Office of Project Advice and Training, London, UK; OECD LEED Evaluation Workshop, Trento, 2006.

Table 5: Investment fund per capita (£) by Combined Authority area, 2019

Combined Authority	Investment fund per capita (£ annually)
West of England	32.86
North of Tyne	24.41
Cambridgeshire and Peterborough	23.61
Tees Valley	22.30
Sheffield	21.53
Liverpool	19.42
West Midlands	12.60
Greater Manchester	10.72

Source: Pike, A., Tomaney, J. and Jenkins, M. (2019) The North of Tyne Metro-Mayor: An Office Without Power?, CURDS: Newcastle University